

*The factual information set forth on the Tracking Charts was submitted to the FLA by each Independent External Monitor and Participating Company and reviewed by FLA staff. It is being made available to the public pursuant to the FLA Charter in order to strengthen the monitoring process. The FLA Charter provides for regular public disclosure of the factual results of independent monitoring and the resulting specific actions taken by Participating Companies.*

### What is a Tracking Chart?

Compliance is a process, not an event. A Tracking Chart outlines the process involved in FLA independent external monitoring and remediation. It is used by the accredited independent external monitor, the participating company and the FLA staff to do the following:

- **Record Findings:** The independent external monitor uses the Tracking Chart to report noncompliance with FLA Code standards. The monitor should also cite the specific Code benchmark or national/local law that was used to measure compliance.
- **Report on Remediation:** The FLA participating company uses the Tracking Chart to report on the remediation program that was implemented in order to resolve the noncompliance and prevent any future violations.
- **Evaluate Progress:** The FLA uses the Tracking Chart for purposes of collecting and analyzing information on the compliance situation of a particular factory and for publication on our website. This information is updated on an ongoing basis.

### What a Tracking Chart is NOT -

- An exhaustive assessment of factory conditions

Working conditions - in any type of workplace - are dynamic. Each Tracking Chart represents a survey of the factory's conditions on a specific day. Over time, a fuller picture emerges as we compile information from various sources to track the compliance progress of a factory.

- A pass or fail evaluation

The Tracking Charts do not certify whether or not factories are in compliance with the FLA Code. Monitoring is a measurement tool. The discovery of noncompliance issues is therefore not an indication that the participating company should withdraw from a factory. Instead, the results of monitoring visits are used to prioritize capacity building activities that will lead to sustainable improvements in the factory's working conditions.

- A one-time event

Each monitoring visit is followed by a remediation program, further monitoring and remediation in an ongoing process. The Tracking Charts are updated accordingly.

**Note on Language**

Please be advised that because FLA independent external monitors are locally-based and English is generally not their native language, the language presented may at times appear unclear to a reader who is a native English speaker. In order to preserve the integrity of the transparency process and the information we receive, our policy is to publish the original text from the monitor and participating company. However, the reader will note that we have taken the precaution to remove any identifying information about the factory that was monitored or the workers interviewed.

For example, in cases where monitors and/or participating companies have cited the actual number of workers in reference to a noncompliance issue, in order to protect the workers' identities, we have replaced the numbers with generic wording in brackets (i.e. "[some]", "[worker interviews revealed that]",etc.).

We do not disclose the name of the factory that was monitored in order to ensure that the FLA's efforts to encourage and reward transparency do not have detrimental consequences for the factory and the workers.

**Instructions for Printing**

The information contained in the Tracking Charts is organized by columns and rows in a table format. Due to the number and width of the columns, the charts have been formatted for legal size (8.5 x 14in.) paper. To print the charts, please make sure to select "legal" size paper from Print properties.

FLA Monitoring Visit Profile	
Country	Malaysia
Factory name	07004666B
IEM	Kenan Institute Asia
Date of audit	13-Aug-03
Days in the facility	1 day
PC(s)	NIKE, Inc.
Number of workers	1306
Product(s)	pants
Production processes	cutting, sewing, trimming, ironing, packing

		Findings				Remediation					Updates			
FLA Code/ Compliance Issue	Legal Reference	FLA Benchmark	Monitor's Findings	Documentation	Best Practice	PC remediation plan	Target Completion Date	Factory Response	PC follow up	Documentation	Best Practice	Factory Response	PC follow up	Documentation
1. Code Awareness														
Code posting/information		<b>FLA Principles of Monitoring, Obligations of Companies:</b> Establish and articulate clear, written workplace standards. Formally convey those standards to Company factories as well as to licensees, contractors and suppliers.	Foreign workers from 4 different countries and not all the COCs are presented in the native language of the workers and they cannot read English of which most COC are presented, therefore these workers cannot read and do not understand the contents of the COC	Factory inspection		Vietnamese workers to be trained on Nike's CoC.	11/2/03	<b>March 04 Update:</b> Completed. Vietnamese workers have been trained on CoC using a translator from Vietnam and Nike's Vietnamese CoC.		Worker interviews during the management audit by Nike.			Nike M Audit	
2.Forced Labor														
There will not be any use of forced labor, whether in the form of prison labor, indentured labor, bonded labor or otherwise														
3. Child Labor														
No person will be employed at an age younger than 15 (or 14 where the law of the country of manufacture allows) or younger than the age for completing compulsory education in the country of manufacture where such age is higher than 15.														
4. Harassment or Abuse														
Every employee will be treated with respect and dignity. No employee will be subject to any physical, sexual, psychological or verbal harassment of abuse.														
5. Nondiscrimination														
No person will be subject to any discrimination in employment, including hiring, salary, benefits, advancement, discipline, termination or retirement, on the basis of gender, race, religion, age, disability, sexual orientation, nationality, political opinion, or social or ethnic origin.														
6. Health and Safety														
Employers will provide a safe and healthy working environment to prevent accidents and injury to health arising out of, linked with, or occurring in the course of work or as a result of the operation of employer facilities														
Fire Safety Health and Safety legal compliance	Factory & Machinery Act (FMA),1967; Occupational Safety & Health Act (OSHA) 1994	Employer will comply with applicable health and safety laws and regulations. In any case where laws and code of conduct are contradictory, the higher standards will apply. The factory will possess all legally required permits			Posters in Safety & Health at the workplace in English & BM. · Factory COC is in line with buyers & FLA and in 3 languages									
Document Maintenance/ Accessibility	Occupational Safety & Health Act (OSHA); Classification, Packaging & Labelling (CPL) Regs 1997, Occupational Safety & Health (Use & Standards of Exposure to Chemicals Hazardous to Health (USECHH) Regulations, 2000	All documents required to be available to workers and management by applicable laws (such as policies, MSDS, etc.) shall be made available in the prescribed manner and in the local language or language spoken by majority of the workers if different from the local language	The MSDS/CSDS of chemicals does not comply with the OSH USECHH Regulations 2000 which should be in 2 languages, Bahasa Malaysia and English			Factory must translate the MSDS into Bahasa Malaysian.	20-Dec	Translated copy of MSDS in Bahasa Malaysia shall be made available.	PC to follow up visit in January 2004 to check on completion.			<b>March 04 Update:</b> Still waiting for certain MSDS' to be translated. Expect completion by April 2004.	<b>March 04 Update:</b> Some of the translated MSDS does not have all the requirements. Shall do a follow up in April 2004 to check on status of completion.	
Evacuation Procedure	Factory & Machinery (Safety, Health & Welfare) Regulations 1970, Regulation 21	All applicable legally required or recommended elements of safe evacuation (such as posting of evacuation plans, unblocked aisles/exits, employee education, evacuation procedures, etc.) shall be complied with and workers shall be trained in proper safety, first aid, and evacuation procedures	Aisles in some areas are blocked by trolleys with accessories or goods/materials. The Fire Evacuation plan – no key to explain symbol in some of the plans. Some of the Fire Doors are blocked and access is denied because of materials/goods on trays, plastic bags, pallets blocking exit		Separate smoking area designated in Canteen. · Posting of several understandable evacuation map with the emergency telephone numbers in all prominent production areas of the factory	Aisles must be kept clear of obstacles. Fire evacuation plan must a legend to explain the symbols. Fire doors must be unblocked.	10/15/03	Aisles in all areas will be kept clear. The fire evacuation plan will be revised to include the key to explain symbols. All fire doors will be kept free of obstacles.	PC has verified completion. Nov 2003	See Appendix 1 through Appendix 4.				

FLA Code/ Compliance issue	Legal Reference	FLA Benchmark	Findings			Remediation						Updates		
			Monitor's Findings	Documentation	Best Practice	PC remediation plan	Target Completion Date	Factory Response	PC follow up	Documentation	Best Practice	Factory Response	PC follow up	Documentation
Safety Equipment	Factory & Machinery (Safety, Health & Welfare) Regulations 1970 Regulation 22, 38; Guidelines on First-Aid Facilities in the Workplace, Dept of Occupational, Safety & Health, 1976	All safety and medical equipment (such as fire fighting equipment, first aid kits, etc.) shall be in place, maintained as prescribed and accessible to the employees	-Hose Reel and fire extinguishers Instructions in language (English and/or Bahasa Malaysia) and neither the girl nor the Fire Fighting Team member could understand the instructions		Fire Door is locked but the keys are kept in a glass box to be broken with a wooden cosh when needed	Factory must translate hose reel instructions into Bahasa Malaysian.	10/15/03	Use of hose reel and fire extinguisher will be illustrated with picture and described in Bahasa Malaysia language.	PC has verified completion. Nov 2003	See Appendix 5.				
PPE	Factory & Machinery (Safety, Health & Welfare) Regulations, 1970 Regulation 32; Occupational Safety & Health (Use & Standards of Exposure to Chemicals Hazardous to Health (USECHH) Regulations, 2000 Regulation 16	Workers shall wear appropriate protective equipment (such as gloves, eye protection, hearing protection, respiratory protection, etc.) to prevent unsafe exposure (such as inhalation or contact with solvent vapors, noise, dust, etc.) to hazardous elements including medical waste.	Some workers do not wear mask properly. Issuance of Incorrect PPE (type of mask for the spot washing worker)			Factory must provide the proper PPE to the spot washing worker.	15-Oct	Correct type of mask for spot washing worker shall be provided.	PC has verified completion through visual inspection. Nov 2003					
Chemical Management	Occupational Safety & Health (Use & Standards of Exposure to Chemicals Hazardous to Health USECHH) Regulations 2000 Regulations 20-23; Occupational Safety & Health (Classification, Packaging & Labelling (CPL)) Regulations 1997 Regulation 7	All chemicals and hazardous substances should be properly labeled and stored in accordance with applicable laws. Workers should receive training, appropriate to their job responsibilities, in the safe use of chemicals and other hazardous substances	Non compliance with the USECHH (Use and Standards of Exposure to Chemical Hazardous to Health) regulations 2000 (No CHRA: Chemical health Risk Assessment). Non compliance with the CPL regulation (Classification Packaging and Labeling regulations 1997 (No chemical register). Insufficient OSH training on occupational health & safety aspects such as the Use of PPE, chemical handling, electrical & mechanical hazards for the workers. Emergency eye wash station is inappropriate		IH monitoring for organic solvents, total dust, occupational noise exposures is supplemented with environmental ambient monitoring of stack emissions, boundary noise is good environmental responsibility. The setting up of some Recycling programme and practices (cotton rags used for fire fighting drills) in the company besides sending everything away to Kualiti Alam	1) Factory must comply with the USECHH and CPL regulation. 2) Factory must provide the proper OSH training. 3) Factory must install the appropriate emergency eyewash station.	15-Nov	1) Factory has carried out chemical monitoring initially and the results indicate that the exposure level was below the permissible level. 2) Workers will be trained in proper OSH procedures. 3) Factory will install the proper eye wash station.	PC will follow up in December to check on completion for Pt #2. Pts #1 and #3 have been completed.	Pts #1 and #3: Please see Appendix 6 and Appendix 7-1 to 7-12.			<b>March 2004 Update:</b> Factory has completed Pt #2.	See attachment #3 on S&H briefing.
Ventilation/Electrical/facility maintenance	Factory & Machinery (Safety, Health & Welfare Regulations )1970 Regs 25, 28, 29	All ventilation, plumbing, electrical, and lighting services shall be provided and maintained to conform to applicable laws and prevent hazardous conditions to employees in the facility	Electrical 3 pin plug cover was missing in one of the toilets		Overhead electrical conduits for electrical wiring with fluorescent tubes attached below for lighting	Factory must replace the pin plug cover for the toilet area in question.	15-Oct	Factory will replace the pin plug cover for the toilet area in question.	PC has verified through visual check that the broken 3 pin plug has been replaced.					
Record Maintenance		All safety and accident reports shall be maintained for at least one year, or longer if required by law			First Aid Kit with First Aiders list and Emergency Log to register injury & person using first aid materials									
Machinery Maintenance	Factory & Machinery (Fencing of Machinery & Safety) Regulations 1970	All production machinery and equipment shall be maintained, properly guarded, and operated in a safe manner	Insufficient awareness of the importance of the needle guard of high-speed sewing machines. And the Needle guards for some high-speed sewing machines are not used.		Metal frame Barricade built below the switch board area	Factory must provide proper training to sewing machine operators on the importance of the needle guards.	12/15/03	Factory will provide proper training to sewing machine operators on the importance of the needle guards.	PC to do a follow up visit in January 2004 to check that training in this subject has been given to the sewing machine operators.				<b>March 2004 Update:</b> Completed.	See attachment entitled Needle Guard.

FLA Code/ Compliance Issue	Findings					Remediation						Updates		
	Legal Reference	FLA Benchmark	Monitor's Findings	Documentation	Best Practice	PC remediation plan	Target Completion Date	Factory Response	PC follow up	Documentation	Best Practice	Factory Response	PC follow up	Documentation
Sanitation in Facilities	Factory & Machinery(Safety, Health & Welfare (FMA) Regulations1970 Regulations 27, 32-38	All facilities including factory buildings, toilets, canteens, kitchens, and clinics, shall be kept clean and safe and be in compliance with applicable laws	The mirror is broken in the toilet. No maintenance procedure for the first aid kit and fire extinguisher in the hostels		Graphic posters on 5S System for housekeeping in BM & English. Provision of Automatic Hand dryer in some production areas	Factory must fix the broken mirror in the toilet. Maintenance procedures for first aid kits and fire extinguishers must be provided in the hostels.	06/01/04	Factory will fix the broken mirror in the toilet. Maintenance procedures for first aid kits and fire extinguishers will be provided in the hostels.	PC to do a follow up visit in January 2004 to check that training in this subject has been given to the sewing machine operators.			<b>March 2004 Update:</b> Still waiting for translation of the manual.	<b>March 2004 Update:</b> Mirror has been fixed and documents have been developed in English, but have not been translated to local language yet. Factory will conduct training upon arrival of the translator. PC to follow up in April 2004 to check on status of completion.	

	Findings					Remediation						Updates		
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7. Freedom of Association and Collective Bargaining														
Employers will recognize and respect the right of employees to freedom of association and collective bargaining														
8. Wages and Benefits														
Employers recognize that wages are essential to meeting employees' basic needs. Employers will pay employees, as a base, at least the minimum wage required by local law or the prevailing industry wage, whichever is higher, and will provide legally mandated benefits														
Wage Benefits Awareness		Employers will communicate orally and in writing to all employees in the language of the worker the wages, incentive systems, benefits and bonuses to which all workers are entitled in that company and under the applicable law			Oral and written communication in workers language or in Mandarin/Bahasa Malaysia/English									
9. Hours of Work														
Except in extraordinary business circumstances, employees will (i) not be required to work more than the lesser of (a) 48 hours per week and 12 hours overtime or (b) the limits on regular and overtime hours allowed by the law of the country of manufacture or, where the laws of such country will not limit the hours of work, the regular work week in such country plus 12 hours overtime; and (ii) be entitled to at least one day off in every seven day period														
10. Overtime Compensation														
In addition to their compensation for regular hours of work, employees will be compensated for overtime hours at such premium rate as is legally required in the country of manufacture or, in those countries where such laws will not exist, at a rate at least equal to their regular hourly compensation rate.														
Miscellaneous														